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Foreign Crops and MARKETS

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AUSTRALIA'S TOBACCO CONSUMPTION RISES DURING THE WAR

During the war, Australia has continued to depend on foreign sources of supply for most of its leaf-tobacco requirements. In spite of shortages of foreign exchange and shipping space, substantial supplies of imported leaf have been available to the country's tobacco-manufacturing industry. Available quantities of products have been sufficient to enable total consumption by civilians and the armed services to increase somewhat above the pre-war level. Wartime conditions have hampered efforts to expand domestic production of tobacco, and the goal of 7,500 acres in 1944-45 was not attained.

The 1944-45 crop of tobacco is estimated at 3.4 million pounds from 5,200 acres, as compared with 5.2 million pounds from 7,088 acres in 1943-44. Unfavorable weather conditions, the prevalence of diseases and insect pests, and labor shortages combined to make the 1944-45 harvest the smallest in recent years. Production of tobacco in Australia during the crop years 1938-39 through 1942-43 averaged 5.3 million pounds annually from 8,149 acres.

AUSTRALIA: Area, production, and yield of tobacco 1938-39 through 1944-45

YEAR	AREA	PRODUCTION	YIELD PER ACRE
	Acres	*1,000 pounds*	*Pounds*
1938-39 ...	7,919	4,046	511
1939-40 ...	8,288	4,957	598
1940-41 ...	8,548	5,476	641
1941-42 ...	8,820	7,040	798
1942-43 ...	7,169	4,969	693
1943-44 a/	7,088	5,207	735
1944-45 b/	5,200	3,350	644

Compiled from official sources.
a/ Subject to revision. b/ Preliminary.

In recent years tobacco production in Australia has been lower than the average crop of the early 1930's. A number of factors have caused the decline in production - shortage of manpower, adverse climatic conditions, unfavorable prices, and a switch to other crops. In addition, the ravages of insect pests and diseases have affected the quality of the leaf. In view of the increased wartime production costs, growers have been dissatisfied with the prices obtained for their product. Prices paid to growers averaged 38.4 cents per pound for 1943-44 crop leaf, and 41.0 cents for leaf of the 1942-43 crop.

Most of the leaf produced in Australia consists of flue-cured types grown in Victoria, Queensland, Western Australia, and New South Wales. The texture, color, and smoking quality of the leaf vary considerably, depending on the soils and climatic conditions of the particular producing areas. Many of the varieties originated from United States seed, but local conditions have altered the characteristic of the leaf. North Queensland flue-cured is similar to Rhodesian leaf, while flue-cured produced in south Queensland and New South Wales is similar in some respects to United States flue-cured. A large portion of domestic leaf is blended with imported leaf in the manufacture of fine-cut tobacco for roll-your-own cigarettes.

Government authorities recognize that the projected expansion of tobacco production in Australia faces many obstacles. As previously stated, the desired expansion during the difficult war period did not materialize. Extension of tobacco planting to new areas depends primarily on finding suitable soils in regions having climatic conditions favorable to tobacco cultivation. Improved cultural practices, including emphasis on crop rotation and increased use of fertilizers, are necessary. Experienced growers must also be found. Insect pests and diseases must be further controlled or eradicated. The tobacco industry does not desire recurrence of the large acreages with an increased outturn of inferior leaf, a condition which existed in the early 1930's.

Rationing of tobacco products to civilians in Australia became effective at the end of 1940, through curtailed distribution to retailers, and has continued throughout the war period. Rationing to the armed services, on a less drastic scale than to civilians, was put into effect in 1942.

In spite of the rationing program, general wartime prosperity, heavy consumption by the armed forces, and increased use of tobacco by women smokers, have raised the country's total consumption of tobacco products above the pre-war level. During 1943-44 (July-June), the total quantity of tobacco products consumed amounted to 25.2 million pounds, as compared with 26.7 million in 1942-43. In 1939-40, the last year prior to the beginning of rationing, total consumption amounted to 23.6 million pounds.

Consumption of machine-made cigarettes has increased substantially during the war and amounted to 8.1 million pounds in 1943-44, as compared with 7.3 million pounds during 1939-40. Consumption of cigars has shown a steady decline in recent years and amounted to only 135,000 pounds in 1944. Consumption of other products, principally plug, flake, and fine-cut tobacco for roll-your-own cigarettes, rose from 16.1 million pounds in 1939-40 to 17.0 million in 1943-44. The heaviest consumption of all tobacco products during the war period apparently occurred in 1942-43, when per capita consumption amounted to about 3.7 pounds, as compared with 3.4 pounds in 1939-40.

More severe rationing restrictions during 1943-44 had the effect of reducing consumption somewhat below that of the previous year. Heavy demands for all products throughout the war have required large withdrawals of leaf from bond, particularly during 1941-42, when imports of leaf were much below the pre-war average. These withdrawals depleted the stocks on hand, and reports indicate that present stocks are considerably below the pre-war level.

Australia is dependent upon foreign sources of supply, particularly the United States, for more than 75 percent of its total tobacco requirements. During the period 1935-1939, imports of leaf, largely flue-cured, averaged about 21 million pounds annually, of which about 98 percent originated in the United States. In order to conserve foreign exchange, the Australian Government in December 1939 instituted a licensing system aimed at controlling or restricting imports of leaf tobacco from nonsterling countries. The full effect of this regulation was not felt until 1941, when imports of leaf amounted to only about one-third of the pre-war average.

Under Lend-Lease arrangements, however, imports from the United States showed a marked increase over 1941, amounting to 16.6 million pounds in 1942, and 27.1 million in 1943. Imports of leaf from all sources appear to have reached a peak, 30.8 million pounds, during the latter year. Imports from the United States declined to 24.4 million pounds in 1944, and prospects are that about 23 million pounds will be imported from this country during 1945. The discontinuance of tobacco procurement for civilian use under Lend-Lease probably was the principal factor resulting in lower imports in 1944. Takings of United States leaf in both 1943 and 1944, however, were considerably above the pre-war yearly average.

Australia has increased its imports of leaf from Empire countries during the war period. In 1943, imports from Rhodesia, India, and Canada totaled 3.6 million pounds, as compared with an annual average of less than 0.1 million pounds during the pre-war period. Under the terms of a trade agreement signed by the Governments of Australia and Southern Rhodesia, which became operative in April 1941, a concession of about 12 cents per pound below British preferential tariff rates was granted on the importation of Rhodesian leaf into Australia for the manufacture of tobacco and cigarettes. This tariff concession apparently stimulated imports of Rhodesian leaf, which averaged 1.3 million pounds during the 3 years, 1941-1943.

Imports of tobacco products into Australia were insignificant under the high tariffs in effect during the pre-war period. Total imports of products - cigars, cigarettes, snuff, and manufactured tobacco-averaged about 700,000 pounds annually in the period 1935-1939. Under the provisions of the Customs Regulations, imports from nonsterling countries were totally prohibited, effective December 1, 1939, and were barred from sterling countries as of December 1, 1941.

AUSTRALIA: Imports of leaf tobacco and tobacco products, 1943 and 1944

COUNTRIES OF ORIGIN	LEAF		CIGARETTES		ALL OTHER	
	1943	1944	1943	1944	1943	1944
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United States	27,083	24,411	66	4	836	142
Rhodesia	1,535	356	0	0	0	0
British India	1,828	85	0	a/	0	a/
Canada	247	654	0	a/	0	0
United Kingdom	1	74	153	1	4	0
Cuba	75	54	0	0	0	0
Others	27	57	a/	a/	a/	a/
Total	30,796	25,691	219	5	840	142

Compiled from consular sources. a/ Less than 500 pounds.

In spite of restrictions on imports of products, substantial quantities were imported during 1942 and 1943. These imports, however, were not destined for civilian consumption, but were apparently earmarked for Governmental use, for representatives of other Governments, or for reexport. Total imports of products, chiefly manufactured tobacco from the United States and cigarettes from the United Kingdom, amounted to 757,000 pounds and 1,059,000 pounds in 1942 and 1943, respectively. In 1944, however, imports of products declined to only 147,000 pounds.

Based on a report from the American Consulate General, Sydney, Australia

HAITIAN SUPPLIES OF FATS AND OILS SHORT

During the war years Haiti has been confronted with a critical shortage of fats and oils. Domestic production of cottonseed, the principal source of oil, has decreased markedly while that of other fats and oils has shown no significant increase. Imported supplies of these commodities have been difficult to obtain, because of increased war demands in surplus producing countries and the lack of ocean shipping. The shortages in Haiti have been particularly felt in urban areas. In the rural sections practically all the requirements of fats and oils for home use are produced on farms, and deficits have not been noticeable.

The ranking oil in the Haitian fats-and-oils economy is cottonseed. Production of this oil during the past 5 years has averaged about 575 short tons yearly, which is only about 35 percent of the pre-war average of 1,650 tons. In 1942-43, when only about 40 tons of oil were produced in the entire country, cottonseed crushing was at its lowest ebb. The small production of cottonseed oil in recent years has resulted principally from a lack of foreign markets for Haitian cotton, an insignificant quantity of which is consumed domestically.

Prior to 1940, cotton exports ranged from 20,000 to 25,000 bales yearly, France, Japan, and Great Britain being the main buyers. Exports to the first two countries ceased with the beginning of war, and diversion of shipping facilities to other needs stopped the trade with Great Britain. The result was that cotton exports from 1940 to 1943 amounted to only about 50 percent of the pre-war average. Last year there was a substantial increase in production, and exports reached 20,000 bales. At the same time, there was a corresponding increase in cottonseed-oil production, which was over 1,000 tons, or more closely approximating the pre-war output.

Cottonseed oil in Haiti is mainly used as a cooking oil and to a certain extent in compounds. It is estimated that about 5 percent of the yearly production is consumed by soap makers. The production of cottonseed only suffices for domestic requirements; thus there are no exports. Small imports of this oil are usually made yearly to supplement domestic supplies.

Peanuts are the second ranking vegetable oilseed in Haiti. No estimates are available regarding the size of the production, and there is no commercial crushing reported. Peanuts, however, are grown in small plots throughout the country. Local farmers crush the oil by primitive methods, and a large portion of the rural population derives a part of its fats and oils from this source. Peanuts are also widely used as food after roasting and thereby furnish an "invisible" source of fats. In recent years small exports of peanuts, ranging from 20 to 50 tons, have been made to neighboring islands.

Since the outbreak of war, attempts have been made by private individuals to foster the cultivation of soybeans. Despite much propaganda, the project has not been successful, and the yearly output of soybeans has remained about on the same level as the pre-war production of about 500 bushels.

Small amounts of sesame are produced yearly in Haiti with output of seed probably not exceeding 20 tons. In recent years there have been small yearly exports of this commodity of not more than 20 tons.

In the northern part of the Republic there are located a few acres of African oil palms which were planted about 1935; natives gather the nuts, crack them, and then crush the kernels by primitive means. The resulting small oil production is used locally for edible purposes, as well as for illumination. The cracked shells are utilized on a small scale for fuel.

Along the northern and southern coasts of Haiti are located fairly extensive coconut groves. The production of coconuts, however, has never assumed the importance in this country that it has on other island groups of the Caribbean, production having been hindered by the presence of bud rot. At the present time, only a small portion of the yearly harvest is utilized for oil, and insignificant amounts are used in soap making. In recent years, most of the coconuts have been delivered to a local company, which has offered good prices for the nuts for the production of desiccated coconut for export.

The castor bean is the only industrial vegetable oilseed that is produced in Haiti. The pre-war production of this commodity probably did not exceed 1,500 tons. In recent years, however, production may have reached 4,000 tons, because of good foreign markets. Domestic consumption of castor beans is about 500 tons, and exports in recent years have ranged from 850 to over 3,300 tons. Castor beans are grown mostly on small farms, and the size of the plantings does not vary greatly from year to year.

Haiti's production of animal fats is almost solely confined to lard, which since the war has decreased steadily. The pre-war officially reported output ranged from 500 to 700 tons. During 1943 the production may have reached only slightly more than 200 tons. In addition to the officially reported lard production, from three rendering plants, there is a local output in the rural sections of the country, which is not reported. To supplement local lard supplies, imports have varied from 265 to 500 tons annually with no marked trend in the volume.

Haiti's production of butter varies between 120 to 130 tons, the largest producer being the Damien Agricultural School. About one-half of the local requirements are produced domestically and the remainder has been imported mostly from Argentina during the war years.

Production of tallow and other animal fats is slight, and most of the output is consumed on farms and does not move to urban areas. The requirements for inedible oils and fats have been met largely by imports, and it is estimated that the consumption of tallow is about 120 tons yearly.

The manufacture of soap is limited, being only about 190 tons a year. Domestic consumption probably is averaging about 3,800 tons, of which 3,600 tons are imported.

Indications are that little change in the Haitian fats-and-oils situation is likely in the near future. Locally produced cottonseed in all probability will continue to provide the principal raw material for the domestic fat requirements. The small farmers, with subsistence farming, will no doubt continue to produce sufficient fats and oils for their own use. When trade is resumed, the city populations most likely will again rely upon imports to supplement domestic supplies.

Based on reports from the American Embassy, Port-au-Prince, Haiti.

ARGENTINA HARVESTING SMALL CORN CROP

The 1944-45 corn harvest in Argentina is estimated at about 121 million bushels, according to the first official estimate. At that figure the harvest would be only about 35 percent of last year's slightly above-average crop. The small outturn now being harvested is attributed to extensive drought damage and to a large acreage reduction, compared with the average planted during the 10 years ended with 1942. The indicated average yield per acre for the country is one of the lowest on record, as a result of unfavorable weather conditions.

ARGENTINA: Corn acreage, yield, and production, 1944-45 with comparisons

YEAR a/	ACREAGE		AVERAGE YIELD PER ACRE		PRODUCTION
	PLANTED	HARVESTED	PLANTED	HARVESTED	
	1,000 acres	*1,000 acres*	*Bushels*	*Bushels*	*1,000 bushels*
Average 1932-33 to 1941-42	15,521	10,979	20.9	29.6	324,525
1942-43	10,226	4,367	7.5	17.5	76,499
1943-44	10,903	9,144	32.7	37.6	343,683
1944-45	b/ 9,927	-	12.2	-	c/ 120,930

From official sources.
a/ Dates refer to crop years, the crop being planted principally in September-October and the main harvest period usually covering March-May.
b/ Second estimate. c/ First estimate.

The corn acreage planted was the smallest since 1924. Dry weather was reported throughout the northern part of the corn zone during November and December and became general over the entire zone during the first half of January. Dry soil conditions were said to have curtailed acreage, and the planted area was a million acres less than the corn acreage of the preceding year, whereas some expansion had been expected.

The drought, which was not broken until later in January, was accompanied by abnormally high temperatures that caused extensive damage to the growing corn, and considerable areas, especially in the north, were reported to be lost. Late-planted fields benefitted from the rains, which came too late to save a large part of the early plantings. On the basis of early reports, wide variations in yields are noted, with the poorest results in the main producing area reported for Córdoba, northern Santa Fé and northwestern Buenos Aires.

No estimate of the acreage to be harvested is yet available. During the 10 years ended with 1942, the acreage abandoned averaged about 30 percent. The abandonment this year, however, is expected to be much above average.

Harvesting in northern districts began in February, but in the main corn zone the harvest got under way in March. Harvest progress has been slow, according to reports. Damp weather, unfavorable for corn conditioning, has retarded picking, as have high labor costs. The latter factor may foster the use of a higher percentage of family labor than is usual.

No official estimate of the April 1 carry-over of corn is available at present. Trade and other unofficial estimates range from 50 to over 100 million bushels. Statistically, it would appear that around 100 million bushels may be carried over. Lack of definite information on the amount that has been sold to factories and utilities for use as fuel, also extent of feeding or loss through deterioration, contributes to the uncertainty as to the size of carry-over stocks. Quality is a further consideration in determining the amount that may be available for export. As a result of quality and price considerations, low-grade grain would likely be diverted to domestic use, such as fuel or increased feeding if needed. Some trade sources place the surplus of old-crop grain suitable for export at around 700,000 metric tons (28 million bushels).

ARGENTINA: Corn supply and utilization, 1942-43 to 1945-46 a/

POSITION	1942-43	1943-44	1944-45	1945-46
	Million bushels	Million bushels	Million bushels	Million bushels
Carry-over, April 1	319	64	5	b/ 100
Production	356	76	344	121
Estimated normal domestic requirements	79	75	75	75
For fuel, industrial use, increased feeding, or loss c/	523	53	149	-
Exports	9	7	d/ 25	-
Official surplus on date nearest March 31	64	5	b/ 100	-

From official and trade sources.
a/ Dates refer to marketing years beginning April 1.
b/ Unofficial estimate. c/ Residual item. d/ Partly estimated.

The total statistical supply of corn for the season beginning April 1 is indicated to be about 220 million bushels. This is considerably less than the stocks of around 350 million bushels a year ago, when the good harvest offset the small carry-over stocks. A supply of that size for the current season would cover normal food, feed, and seed requirements, with around 145 million bushels remaining to cover all other needs, i.e. use for fuel and increased feeding, if needed, and for export or carry-over.

The use of corn for fuel during the coming season is a very uncertain factor in the export supply position. Until a sizable quantity of coal can be regularly imported, many industrial plants and public utilities may find it necessary to continue burning corn, even though prices of corn for fuel have risen in recent weeks. Fuel corn was quoted at about 46 cents per bushel in mid-April, compared with about 34 cents per bushel during much of 1944. Estimates of corn used for fuel during the past season range from 3 to 4 million or more tons (118 to 157 million or more bushels). In addition, substantial quantities of other grains and protein meals were burned but are not expected to be available to the same extent this season. It is noted that the excess over normal requirements, estimated at 145 million bushels, would be less than the amount estimated for additional domestic disappearance last season.

The guaranteed corn price to producers for the 1945-46 season was recently announced at 7.70 pesos per 100 kilograms (58 cents per bushel in United States currency) for bulk grain delivered in Buenos Aires. This is a substantial increase over the 1944 price of 45 cents per bushel, operative during most of the 1944-45 season. Price of corn for export has not been announced. Export prices during the past year included a tax of 2 pesos per 100 kilograms (15 cents per bushel).

Judith Edwards Downey

LATE COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

CUBAN FLOUR SUBSIDY ANNOUNCED

An agreement with Cuba, completed April 26 by the War Food Administrator, makes available to that country 1.2 million 200-pound bags of flour within the ensuing year. A base price of $6.90 per bag of high patent flour, c.i.f. Habana, was established.

To implement the agreement the Commodity Credit Corporation will announce from time to time the rates of payments to be made to United States exporters. Such payments will be made to equalize prices in the United States and the agreed-upon price at Habana. The first rate was to be announced at 3 P.M. e.w.t. May 7 at Washington, Minneapolis, Kansas City, and Portland, Oregon. The procedure applicable to the general Commodity Credit Corporation wheat-flour export program is to be followed. See also Foreign Crops and Markets, April 23, 1945.

ARGENTINE GOVERNMENT CONTINUES GRAIN MARKET CONTROL

The Argentine Government again becomes the exclusive grain-marketing agency, according to a decree of May 2. Plans call for the continuance of the Government's handling of exports of corn, wheat, and flaxseed in the post-war period. Minimum prices will be guaranteed to producers, and sales will be made by the Government at world market prices. Any profits would enter into a producers' fund to be used for various farm purposes, including crop insurance. The stated aim of the program is to prevent speculation and inflation. For further details on corn marketing, see preceding page.

CHILEAN RICE CROP AT NEW RECORD

The 1944-45 Chilean rice production is forecast at 8,007,000 bushels (234 million pounds milled) compared with 7,340,000 bushels (215 million pounds) last year, according to the Ministry of Agriculture. The harvest this year is almost five times the average production of 1,686,000 bushels (49 million pounds) during the 5-year period ended with 1940-41. This crop, harvested principally in March, is the fourth successive record rice production in Chile. The 1944-45 acreage, estimated at 110,000 acres compared with 88,000 a year ago, registered an increase of 25 percent, but unfavorable weather during the season reduced the return to only 73 bushels per acre, which is 10 bushels less than the record yield a year ago and is next to the lowest yield recorded, of 68 bushels per acre in 1940-41. The country imported an average of 25 million pounds during the 5 years ended with 1940, but increased production by 1941 allowed the exportation of 9 million pounds, and by 1944 a record of 60 million pounds.

VEGETABLE OILS AND OILSEEDS

JAMAICAN COCONUT PRODUCTION AT LOW LEVEL

Because of the damage to coconut groves in Jamaica by the hurricane of August 1944, it is estimated that coconut production for 1945 may reach only about 75 million coconuts, compared with the normal production of about 130 million. A survey of the damage done reveals that about 1.7 million trees were totally destroyed, many of them being the heaviest producers. In addition, large quantities of immature coconuts were blown off the trees. The trees destroyed were estimated to have made up about 41 percent of the total bearing acreage. In view of the trees destroyed, production may not be sufficient to meet domestic requirements until the latter part of 1946.

Recently the Jamaican Government has taken action to rehabilitate the coconut industry, and has made plans to assist producers in the replanting of 1 million trees. The providing of loans to growers is one of the principal means.

While it is difficult to obtain data relating to the prehurricane consumption of coconuts, it appears that about 20 million coconuts were consumed yearly for food, and about 90 million were used to produce copra and coconut oil for utilization in the manufacture of margarine, vegetable lard, soap, and confectioneries. The remaining 20 million were mainly exported as fresh coconuts, the United States being the principal consumer.

In the past 10 years, domestic utilization of coconuts and coconut oil has increased and there has developed a small export trade in oil, margarine, and in compounds. The effects of the hurricane on production, however, have almost eliminated the export trade. Vegetable oils, especially sunflower-seed oil, is being imported to supply the deficit. Even in normal times, stocks of coconuts and coconut products are not large, as climatic conditions preclude prolonged storage. The extreme shortage of these items since the time of the hurricane has resulted in almost complete absence of stocks at the present time.

The stabilized price of first-quality coconuts for the copra industry is $1.60 per bag of 150 pounds, the amount established by the Coconut Market Board, and is 20 cents above that prior to the hurricane. The wholesale price of coconuts for food in Kingston is $2.50 per 100 nuts.

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

The following table shows certain cotton price quotations on foreign markets, converted at current rates of exchange.

COTTON: Price of certain foreign growths and qualities in specified markets

MARKET LOCATION, KIND, AND QUALITY	DATE 1945	PRICE PER POUND
		Cents
Alexandria (spot)		
Ashmouni, F.G.F.	4-27	30.06
Giza 7, F.G.F.	4-27	34.24
Karnak, F.G.F.	4-27	32.99
Bombay (May futures)		
Jarila	4-27	15.54
Bombay (spot)		
Kampala, East African	4-27	32.66
Buenos Aires (spot)		
Type B	4-28	16.21
Lima (spot)		
Tanguis, Type 5	4-28	15.63
Recife (spot)		
Mata, Type 5	4-27	12.68
Sertao, Type 5	4-27	13.50
São Paulo (spot)		
São Paulo, Type 5	4-27	13.75
Torreon (spot)		
Middling, 15/16"	4-28	18.01

Compiled from weekly cables from representatives abroad.

FLAX ACREAGE GOAL IN NEW ZEALAND

The Ministry of Agriculture of New Zealand recently announced a goal of 20,000 acres of linen flax for the 1945-46 season. The fiber crop from that acreage should be about sufficient to keep the factories in operation. Flax-fiber production has developed during the war. Prior to 1940-41 a few small plots were planted for experimentation with wool packs made of domestically grown fiber instead of imported jute. With the beginning of war, flax production was encouraged by Great Britain, and practically the entire fiber output during the past several years has been exported to that country.

The first commercial crop of fiber flax was produced on approximately 13,000 acres in 1940-41. Plantings since then have been estimated at close to 20,000 acres each year, except during 1943-44 when a reduction of about 50 percent was made because the processing machinery was insufficient to care for the entire crop from preceding years. Practically all of the flax is grown on the South Island.

Exports to Great Britain are not likely to continue after the war, but New Zealand Government officials are planning for sufficient post-war production to satisfy domestic needs for linen products such as sewing twines, cordage, firehose, heavy canvas, and webbings.

LIVESTOCK AND ANIMAL PRODUCTS

MEXICAN BEEF TO THE UNITED STATES UNDER ARMY SUPERVISION

Beginning in June, about 150 tons weekly of boneless frozen beef will be supplied United States military forces, through its El Paso Quartermaster Market Center, by the Juarez Packing Company, Ciudad Juarez, State of Chihuahua, Mexico. That firm recently obtained from Army officials a contract to supply a total of 1,250 tons of boneless frozen beef for use by military forces. Slaughter and packing will be under the supervision and inspection of officers of the United States Army Veterinary Corps. Inspectors have been at Ciudad Juarez several weeks watching the improvements in the plant agreed to by the contracting firms in order to meet the inspection requirements and standards of the United States Veterinary Corps. The Juarez plant at present slaughters about 70 head of cattle, 20 hogs and 30 sheep per day. It is planned to increase the cattle slaughterings up to 250 head per day to meet the commitments under the aforementioned contract.

The contract price ranges from about 22 to 26 United States cents, depending upon grade. The contract is subject to the completion of arrangements by the United States authorities for the admission of the product into the United States free of the import duty of 2 cents per pound.

The packing plant at Ciudad Juarez is situated across the border from El Paso in the State of Chihuahua, where stock raising is the most important industry. It is estimated that the number of cattle on ranges in that State approximates 3,200,000 head. Because of the location, the cattle from this area normally move to the United States, but usually require further finishing before slaughter.

The Juarez Packing Company is expanding its facilities in order to handle the volume contracted. About 150 workers will be employed in the plant, and the company hopes to receive new contracts if the present one can be met. A new building has been constructed to house about $40,000 worth of boning and freezing equipment imported from the United States. The company plans to expand to include canning operations and expects to import additional slaughterhouse and meat-canning equipment from the United States valued at $125,000.

INCREASE IN NEW ZEALAND DAIRY OUTPUT BEING MAINTAINED

Reports from New Zealand continue to indicate that total production of butterfat, which declined steadily between 1940-41 and 1943-44, will show an increase in 1944-45 (August-July) over the preceding season. This increase is attributed to a record growth of grass, along with some alleviation in labor shortages. The possibility that prices may weaken a few years hence is an additional incentive for farmers to produce now.

Butter production continues above last year, as indicated by gradings for export, which in March showed an increase of 21 percent above last year. This more than maintains the average increase over last year of 19.6 percent registered for the first 7 months (August-February) of the present season. Gradings in January and February showed increases of 34.2 and 34.8 percent, respectively, but reflect poor conditions for those months a year ago as much as favorable conditions this season.

Cheese output showed somewhat the same trends, with February and March gradings each 20 percent above the corresponding months a year ago, and cumulative gradings, August through February, 11 percent above the same period a year ago. January gradings showed the greatest gain, with outturn 26 percent above last year.

The higher output this season indicates that New Zealand will be able to ship some 254 million pounds of butter and 211 million pounds of cheese to the United Kingdom out of the 1944-45 production, as against approximately 224 million pounds of butter and 190 million pounds of cheese out of the 1943-44 production. Substantial quantities of butter and cheese are also being furnished to armed forces in the Pacific. Supplies to the Allies have been augmented by a reduction of about one-fourth in domestic consumption.

NEW ZEALAND: Production of butterfat, butter, and cheese, 1944-45 estimate, with comparisons

YEAR BEGINNING: AUGUST 1	BUTTERFAT	BUTTER	CHEESE
	Million pounds	*Million pounds*	*Million pounds*
Average 1936 to 1939	428.9	367.3	195.0
1940	471.5	370.0	271.8
1941	439.9	299.6	344.7
1942	409.6	317.0	220.4
1943	387.8	312.7	205.4
1944 a/	403.2	333.8	224.0

Official sources. a/ Estimated.

AUSTRALIAN EGG PRODUCTION AND CONSUMPTION HIGHER

Australian egg production for the 1944-45 season has been estimated at about 100 million dozens. This is almost double the production in pre-war years.

Domestic consumption this year is expected to reach 62 million dozens in comparison with 42 million dozens before the war. Eggs, however, are now being rationed in order to bring about an equitable distribution during seasonal periods of low production and at the same time maintain supplies to the services.

Prior to the war, Australia exported about 11 million dozens annually. During the war, nearly this quantity of shell eggs have been going to Allied military forces in the Southwest Pacific. The balance of supplies available for export has been going chiefly to the United Kingdom in the form of dried eggs.

SPECULATIVE BUYING IN ARGENTINA CAUSES ADVANCE IN COARSE-WOOL PRICES

The Argentine market for coarse crossbred wool became much more active during April with the approach of the end of the war in Europe. Latest cabled reports indicate much speculative buying by United States buyers, as well as by local firms. As a result, the prices of coarse crossbreds advanced 20 to 30 percent during April. Prior to that month, the sale of coarse crossbreds was small in relation to the stocks on hand, and the market generally was quiet. Prices of finer wools advanced further in April.

Large stocks of coarse crossbreds have been weighing heavily on the Argentine market for the past two seasons. These wools have not been in demand, as a large part of this wool is suitable for carpets, and carpet wool is not considered as a strategic material by importing countries in wartime. The demand has been mainly for fine and medium apparel wools.

United States import licenses for these coarser wools have been difficult to obtain, and thus Argentine prices fell to unusually low levels. After the war, interest in these wools is expected to revive - thus the speculative buying. In September 1943 the Argentine Government provided loan facilities to coarse-wool producers on wools of the 1943-44 clip to enable them to hold for better prices.

United States import licenses were issued in the latter part of March 1945 for roughly 20 million pounds of wool. Details are not available as to the grades of wool covered by the licenses, but in the past such licenses have covered mainly the medium and finer crossbreds. Purchases for the entire quantity covered by the permits were made during 1 or 2 days. Argentine sources state that probably never before in that country had there been so many sales within such a short space of time.

Exports of wool from Argentina have been much smaller this season than in the preceding one, when stocks at the end of the season (September 30) reached 510 million pounds. From October 1 through April 30, exports totaled only approximately 78 million pounds compared with 144 million pounds in the same period a year ago. The United States took the major portion, or 62 million pounds. These are preliminary estimates, as the March and April figures are based on weekly cabled information.

Statistics of exports available by country of destination, through February only, show that during the first 5 months of the season (October-February) only 56 million pounds were exported this season, compared with 97 million pounds a year earlier. The United States took 45 million pounds, the remainder going to Sweden, Switzerland, and Mexico, with relatively small quantities to other South American countries.

Apparent supplies as of the middle of April, for disposal during the remainder of the season, are estimated at 820 million pounds, an increase of 27 percent above those on the same date of 1944. This total includes: (1) Wool still in the hands of growers; (2) wool already sold to speculators and stored in Argentina; (3) sold wool awaiting shipment; and (4) wool not yet sold.

Statistics of commercial stocks are very slow in being issued, and are available only for February 1. At that time the quantity held by commercial interests was 386 million pounds, greasy-wool basis. The distribution of the wool by classification and location shows that exclusive of the relatively small quantities of wool sold to France, Belgium, etc., and held until it can be shipped, the bulk was in the hands of exporters and consignees. About half of it was coarse crossbred.

SOUTH AFRICA WANTS REVIVAL OF BRITISH INTEREST IN MOHAIR

Angora-goat raisers in South Africa have been experiencing a difficult time during the past 4 or 5 years, owing to British wartime restrictions on imports of mohair. Both growers and exporters are expressing the hope that such restrictions can now be lifted and that the United Kingdom will resume its place as an important consumer of mohair.

Early in March there were about 11 million pounds of mohair in warehouses in Port Elizabeth, sold but awaiting shipment. South African interests have suggested that since the current clean cost of this hair is much lower than wool, it should be used as a cheapening factor in producing clothing, instead of being used as a luxury item. End-of-season stocks at Union ports for the 5 pre-war years averaged only 908,000 pounds annually.

Prior to the last war the Union of South Africa had more angora goats than any other country, with Turkey second in importance and the United States third. Since that time the Union of South Africa has fallen to third place in the production of mohair and the United States has taken the lead. No regular census of angora goats has been taken in the Union of South Africa for several years. In 1939 the number on occupied farms fell to the low level of 713,000 head. The number increased very little during the war, since the estimate for 1943 was only 740,000. This compares with 1,801,000 head in 1930 and 4,275,000 in 1911.

Consumption of mohair in the United Kingdom, for many years the most important mohair market, declined by a third in the interval between 1909-1913 and 1930-1939. In the earlier period, consumption averaged 30 million pounds annually, but declined to an annual consumption averaging only 9 million pounds during the latter period.

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